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BEFORE THE ARIZONA CORPORATION COMMISSION

2003 JAN 15 P 12:50

COMMISSIONERS

AZ CORP COMMISSION  
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MARC SPITZER, Chairman  
JIM IRVIN  
WILLIAM A. MUNDELL  
JEFF HATCH-MILLER  
MIKE GLEASON

In the matter of:

AMERICAN AUTOMOTIVE GROUP, INC.  
c/o Douglas Warren  
9044 East Los Gatos Drive  
Scottsdale, Arizona 85255

DOUGLAS WARREN and JANE DOE  
WARREN, husband and wife  
9044 East Los Gatos Drive  
Scottsdale, Arizona 85255

MATTHEW W. WARREN and JOAN DOE  
WARREN, husband and wife  
8912 East Pinnacle Peak #446  
Scottsdale, Arizona 85255

ROBERT D. BJERKEN and JANE DOE  
BJERKEN, husband and wife  
5024 North 78<sup>th</sup> Street  
Scottsdale, Arizona 85250,

Respondents.

DOCKET NO. S-03457A-02-0000

SECURITIES DIVISION'S  
RESPONSE TO MOTION TO  
CONTINUE HEARING FILED BY  
RESPONDENT ROBERT D.  
BJERKEN

Arizona Corporation Commission

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CAT

On January 10, 2003, Respondent Robert D. Bjerken ("Bjerken") filed a document captioned "Motion to Continue Hearing." Despite its title, the motion appears to be more in the nature of a motion to bifurcate the hearing than a motion to continue. Nevertheless, the Securities Division (the "Division") of the Arizona Corporation Commission (the "Commission") responds to that motion as follows.

First, Bjerken refers in his motion to a "hearing" scheduled for January 30, 2003. As the Division understands the Hearing Officer's recent Procedural Order, that Order sets a pre-hearing

1 conference for January 30, 2003. At this time, there is no reason to bifurcate the hearing until the  
2 Hearing Officer has been given the opportunity to hear Bjerken's reasons for his request, his  
3 justification for those reasons, and the Division's position on that request.

4 Although the Division did have some contact with Bjerken in the early stages of its  
5 investigation, the Division does not at this time feel that Bjerken's position is sufficiently adverse  
6 to the positions of the remaining respondents that due process should require a separate hearing.  
7 It appears from the evidence available to the Division that Bjerken's position as the  
8 representative of the Noteholders emerged after most of the acts alleged in the Notice of  
9 Opportunity for Hearing Regarding Proposed Order to Cease and Desist, for Restitution, for  
10 Administrative Penalties, and for Other Affirmative Action ("Notice") had already occurred, and  
11 for that reason a separate hearing should not be necessary.

12 Nevertheless, inasmuch as the Division has not yet received an Answer from Bjerken and  
13 therefore does not know his position with respect to most of the allegations of the Notice, the  
14 Division would not oppose a single continuance of the initial pre-hearing conference, for not  
15 more than thirty (30) days, so that the Division may gain further insight into Bjerken's position in  
16 this matter. The Division further suggests that, prior to a continued pre-hearing conference, the  
17 Hearing Officer require the parties to brief the issue whether a bifurcated hearing would be  
18 appropriate in these circumstances, and that the issue be heard at the pre-hearing conference.

19 RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of January, 2003.

20 ARIZONA CORPORATION COMMISSION  
21 SECURITIES DIVISION

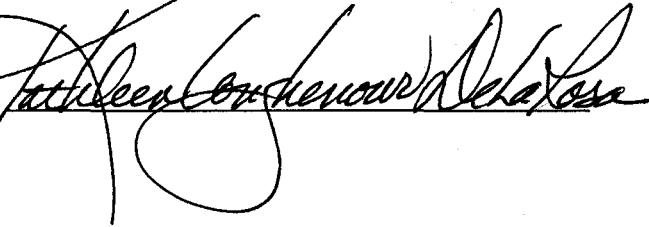
22 By   
23

24 Kathleen Coughenour DeLaRosa  
25 1300 West Washington, Third Floor  
26 Phoenix, Arizona 85007  
Attorney for the Securities Division

1 COPY of the foregoing  
2 mailed this 15<sup>th</sup> day of  
3 January, 2003, to:

4 Robert D. Bjerken  
5 P. O. Box 9663  
6 Scottsdale, Arizona 85252  
7 Respondent *Pro Per*

8 Charles Berry  
9 Titus, Brueckner & Berry, P.C.  
10 7373 North Scottsdale Road, Suite B-252  
11 Scottsdale, Arizona 85253-3527  
12 Attorneys for Respondents Douglas Warren,  
13 Jane Doe Warren, and Matthew Warren  
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A large, stylized handwritten signature in black ink, likely belonging to Charles Berry, is written over the address of Titus, Brueckner & Berry, P.C. The signature is cursive and spans across lines 9 through 12 of the document.